

1 | Mr. Juggert or is it coming from someone else?

2 |       A     To the best of my -- and I'm really searching my  
3 | memory right now, Mr. Shook, I -- it may very well have been  
4 | my own recommendation or suggestion that this be a benefit  
5 | conferred upon directors, particularly those who volunteer  
6 | their time and give of their time without any compensation. I  
7 | certainly felt and feel now that this is a very reasonable  
8 | kind of protection to give to these kinds of people.

9 |       Q     Please turn to Mass Media Exhibit 146.

10 |       A     Yes, sir.

11 |       Q     Now, this concerns a special meeting of the Trinity  
12 | Broadcasting Network, Inc. board that was held on June 22,  
13 | 1987. Apparently there were two directors present, yourself  
14 | and Mr. Juggert and you had a proxy for your wife, you see  
15 | that?

16 |       A     Yes, sir.

17 |       Q     Now, in the next paragraph it refers to  
18 | consideration of loans to two corporations -- or should -- I  
19 | misspoke, let me rephrase that. The board was going to  
20 | consider requests for loans from two corporations, one being  
21 | Trinity Broadcasting of Texas and the other Community  
22 | Educational Television, Inc. Now, would I be correct that in  
23 | both instances the money loaned those two corporations by  
24 | Trinity Broadcasting Network were not evidenced by note?

25 |       A     If -- I do not have any independent recollection as

1 to whether an actual physical note was generated or not.

2 Q Well, its a little confusing because there are two  
3 corporations involved. Let me break it out one-by-one. For  
4 Trinity Broadcasting of Texas, I think we've established that  
5 there was a practice that if Trinity Broadcasting Network is  
6 going to be loaning money to a Trinity-named company that  
7 there would be no note.

8 A That was the practice.

9 Q And I take it that practice was followed here.

10 A I believe that it was.

11 Q Now with respect to Community Educational  
12 Television, are you aware of any note having been written  
13 relative to any sums lent at this point in time to Community  
14 Educational Television from Trinity Broadcasting Network?

15 A I don't believe there was but I do not have any  
16 independent knowledge of that.

17 Q Please turn to Mass Media Exhibit 147.

18 A Yes, sir.

19 Q Now, this document and the meeting that is involved  
20 in these minutes was gone over to some extent by Mr. Cohen and  
21 I'm going to try not to cover the same ground that he did.  
22 With respect to the third paragraph which begins "The  
23 president then noted", etc., I take it you're bringing it to  
24 the attention of the board and that you are the person who  
25 called this special meeting because you had received

1 information from Mr. May that the FCC had granted the Odessa  
2 application.

3 A I'm not sure if I called the meeting or if Mrs. Duff  
4 called the meeting.

5 Q Well, if I'm wrong in my assumption, please correct  
6 me.

7 A I don't know that I called this meeting.

8 Q All right, do you recall receiving a telephone call  
9 from Colby May, and this is a big event, now, an application  
10 is being granted and there's about to be another full-power  
11 station available to the network?

12 A I certainly know the time came when I was made aware  
13 of that but whether Mr. May made me aware of that or Mrs. Duff  
14 did, I just don't recall.

15 Q Now, the next sentence reads that you then moved, by  
16 you, I mean, Mr. Crouch "then moved that the corporation  
17 explore the feasibility of entering a transaction through",  
18 and I suppose that means there's some other word that should  
19 have been there, "a construction permit would be transferred  
20 to another qualified broadcaster", etc. Do you see that?

21 A Yes.

22 Q Was this a serious proposal on your part or is this  
23 a trial balloon?

24 A No, this was a serious proposal.

25 Q Now, how much time had you personally devoted to

1 determining the feasibility of having a station built in the  
2 Odessa market?

3 A I would not know exactly how much time.

4 Q But, I mean, you personally were involved in  
5 researching that question, weren't you or did you have  
6 somebody do it for you?

7 A I'm not exactly sure how I came to know this but  
8 through some research I came to the conclusion that the market  
9 was a very small market, smaller than I had originally  
10 understood it to be. I think my biggest concern was the fact  
11 that it was a heavily cabled area, I came to understand it was  
12 a heavily cabled area, we did not, in those days, have the  
13 "must carry" rule and that our chances of reaching a  
14 sufficient number of the viewers in Midland/Odessa was not  
15 good and that the viability of the station thereby was not  
16 very good.

17 Q Prior to the time of this meeting, had you  
18 communicated any of that information to Mrs. Duff?

19 A I don't recall if I had or not.

20 Q So would it have been the case that at this meeting  
21 this is the first time that Mrs. Duff is hearing about this,  
22 that there is perhaps a problem with the Odessa market?

23 A It could have been, I'm not sure.

24 Q Turning to the next page, the last substantive  
25 paragraph. Are the minutes correct that, beginning with the

1 second sentence "it was moved by Mr. Crouch and seconded by  
2 Mr. Espinoza", etc., did you make that motion?

3 A May I finish reading it, please?

4 Q Certainly, sir.

5 A Yes, sir, I certainly did make that motion.

6 Q And did you have in mind any figure as to what it  
7 would cost in order to do the things that the motion  
8 envisions?

9 A I generally knew what it would cost to build any  
10 full-power station, we had considerable in that.

11 Q And so you're making the motion to essentially have  
12 funds advanced, and this is at the same meeting at which you  
13 were also moving, apparently, to sell the thing, not build it  
14 in the first place.

15 A Yes, sir, Mr. Espinoza and Mrs. Duff were excited  
16 and enthused about the fact that this would indeed become  
17 National Minority's first broadcast property and they simply  
18 disagreed with me and when I saw basically how their hearts  
19 were set upon this, I simply agreed with them and we proceeded  
20 to make plans to build a station.

21 Q Well, let's move up one paragraph, in terms of those  
22 plans -- and just read to yourself what's going on here,  
23 beginning with "Mr. Espinoza recommended...".

24 A Yes, sir, I've read that.

25 Q All right, am I to understand from this that the

1 last two paragraphs that we have gone over, the one that  
2 you're just reading and the one following, that while there  
3 was some willingness to have funds expended to get the station  
4 built, there were definite limitations as to how much money  
5 was going to be spent in terms of getting the station on the  
6 air and what it was going to be programming.

7 A I simply was convinced that the financial aspects of  
8 this station would be a struggle, that was my reason for  
9 desiring to simply sell the permit to someone else and so my  
10 suggestion was that to help it keep its costs low and make it  
11 a viable entity as soon as possible, if indeed that could be  
12 accomplished, that it rely more upon network programming to  
13 keep its costs down and under control. My other members were  
14 more focused on and desirous of more local programming.

15 Q As a result of this meeting and the paragraph that's  
16 reflected here in these minutes, did you give Mrs. Duff any  
17 instructions as to whether she should devote any time to the  
18 development of local programming for Odessa?

19 A Well, I read here that Mrs. Duff agreed to direct  
20 the development of such local programming but I don't recall  
21 giving her any such specific request.

22 Q Well, my question is, essentially did you tell Mrs.  
23 Duff not to worry about local programming for Odessa?

24 A No.

25 Q Did you tell her to develop local programming for

1 Odessa?

2 A I don't recall specifically telling her to develop  
3 local programming, no, sir.

4 Q Are you aware of any local programming that  
5 developed as a result of what's reflected in this paragraph at  
6 the minutes of June 22, 1987 for National Minority? Did any  
7 local programming for Odessa develop?

8 A Not to my knowledge.

9 Q And how long did National Minority have a station on  
10 the air, and I can tell you the starting point is October of  
11 1988 and the time that the station was finally transferred was  
12 sometime in early 1991? During that entire period, was there  
13 ever any local programming developed or even planned for  
14 Odessa?

15 A I do believe that some local programming was  
16 provided by some local organizations within the Midland/Odessa  
17 area although I'm not -- I couldn't swear to that, my believe  
18 is that there were some. Whether or not the station itself  
19 developed any actual local programming, I just do not know.

20 Q Please turn to Mass Media Exhibit 148.

21 A Yes, sir.

22 Q Now, just read to yourself the first paragraph.

23 A Yes, sir, I've read it.

24 Q Now, is Houston, that's part of the CET family  
25 stations, is it not?

1           A     Yes, sir.

2           Q     But basically CET was getting all of its programming  
3 from TBN?

4           A     No, not all of it.

5           Q     Okay, what wasn't it getting?

6           A     A substantial block of purely educational  
7 programming that airs on the non-commercial stations.

8           Q     Well, let's focus our attention back in July of 1987  
9 because that's the time of this newsletter. Now, at that  
10 point in time, what local programming, if any, is there for  
11 CET stations in Harlingen, Beaumont and Houston?

12          A     Well, Houston isn't quite on the air here yet, is  
13 it. I guess it's undergoing final programming tests is what  
14 the text here relates.

15          Q     Well -- yeah, I was just caught by the headline.

16          A     It took some time for Houston to develop its local  
17 programming and exactly when all of that came on line, I would  
18 have to look into the files. As far as Harlingen and Beaumont  
19 were concerned, I know that it was not too long before  
20 Harlingen acquired a small station -- a small studio, rather,  
21 began producing some local programming. Beaumont, I know,  
22 made arrangements with a local church to use its auditorium as  
23 a studio to produce some local programming. It now has its  
24 own full production studio. Each of these CET stations now  
25 have their own independent studios and are producing local



1 programming as well as a block of pure educational and  
2 instructional programming.

3 Q Please turn to Mass Media Exhibit 149.

4 A Yes, sir.

5 Q Now, from the cover letter and the first page, so  
6 you can orient yourself, this is the cover letter for the  
7 filing of a low-power television application for National  
8 Minority TV for a Channel 56 in Fresno, California. Do you  
9 see that?

10 A Yes, sir.

11 Q And if we turn to page 13 of the exhibit there is a  
12 reference here to three other locations, Waldorf, Maryland;  
13 Douglasville, Georgia; and San Diego, California, do you see  
14 that?

15 A Yes, sir.

16 Q And what that representation is, according to the  
17 rest of the application is that other applications were going  
18 to be filed on behalf of National Minority TV in those  
19 markets.

20 A All right.

21 Q Now, do you recall there being any discussion among  
22 the members of the board of National Minority TV as to whether  
23 applications should be filed for low-power stations for the  
24 markets that we have noted here, Fresno, Waldorf, Douglasville  
25 and San Diego?

1           A     I don't remember or recall any specific discussion  
2 amongst the board in a board meeting, if that's what you are  
3 asking.

4           Q     Well, and the reason that I'm asking is that this is  
5 July 2, 1987 and not too long ago we had looked at minutes for  
6 June 22, 1987 which is roughly ten days beforehand. Now, if  
7 you wish, you can go back and look to yourself -- look for  
8 yourself at Mass Media Exhibit 147 but I see nothing in there  
9 that suggests that anything is in the works for National  
10 Minority TV relative to low power filings and my question to  
11 you is, what communication, if any, existed among the members  
12 of the board that such action would be taken in so short a  
13 period of time after a board meeting at which there is nothing  
14 relative to that action being noted?

15          A     The opportunity to acquire these facilities must  
16 have happened subsequent to this meeting or I believe it would  
17 have been mentioned and talked about. I don't just know, sir.

18          Q     You don't know.

19          A     No.

20          Q     You were aware though, were you not, that the  
21 applications were being filed on behalf of National Minority  
22 TV?

23          A     For Fresno?

24          Q     Yes, sir.

25          A     I'm not sure I was at the time.

1           Q     You're the president of the company, TBN is going to  
2 be supplying the money, you didn't know?

3           A     We had crossed that bridge long ago whereby National  
4 Minority was commissioned and empowered by its board to  
5 acquire by filing for low-power applications and it appears to  
6 me that Mrs. Duff is just proceeding to implement that  
7 mandate.

8           Q     You recognize, do you not, though, that there was  
9 basically a six-and-a-half to seven-year gap between those  
10 filing, that there applications filed in 1980 and 1981 and now  
11 it's July of 1987, this is the second group of such  
12 applications.

13          A     Yes, sir.

14          Q     And my question to you is, are you telling us that  
15 you didn't know that this was happening?

16          A     I'm telling you I don't have any independent  
17 recollection of knowing it at the time, I may have.

18          Q     Turning to page 7 of the application, there is a  
19 certification of preferences and the applicant is certifying  
20 that it is entitled to seek or is entitled to and seeks to  
21 claim minority preference, do you see the box checked "yes"?

22          A     Which one is that, there's three boxes here and --

23          Q     Oh, are you looking under the diversification  
24 preference?

25          A     Yes.

1 Q Okay, what I'd like to direct you to first is the  
2 upper portion where the word minority appears.

3 A Oh, yes, I see that now.

4 Q Do you recall there being any discussion between  
5 yourself and any other member of the board of directors of  
6 National Minority TV as to whether or not it was proper to  
7 claim such a preference?

8 A No, sir.

9 Q Do you recall there being any discussion between  
10 yourself and Mr. May as to whether it was proper to claim such  
11 a preference?

12 A No, sir.

13 Q Looking down at the diversification preference area  
14 there are three boxes checked in response to questions 2, 3  
15 and 4.

16 A Yes, I see them.

17 Q Do you recall there being any discussion among the  
18 members of the board of National Minority TV as to what  
19 responses should be given to the questions that are noted  
20 here?

21 A No, sir.

22 Q Do you recall there being any discussion between  
23 yourself and Mr. May as to what responses should be given  
24 relative to the diversification preference questions?

25 A No, sir.

1 Q Please turn to Mass Media Exhibit 151.

2 A Yes, sir.

3 Q This is a Form 990 for year 1986 for Translator TV,  
4 Inc., did you review this document prior to its being sent to  
5 the Internal Revenue Service?

6 A I do not believe I did, sir.

7 Q Do you know whether anyone on the board of  
8 Translator TV, Inc. so reviewed it?

9 A No, sir.

10 Q Please turn to Mass Media Exhibit 153.

11 A Yes, sir.

12 Q Specifically turn to page 3.

13 A Yes.

14 Q Our photocopying didn't do such a traffic job of  
15 picking up the picture here but I'm interested in the second  
16 picture on the right. I take it one of those persons is  
17 yourself?

18 A Yes, it is.

19 Q Do you know who the other person is? Admittedly  
20 it's very, very difficult to see.

21 A I think it's the station manager but I can't  
22 remember his name. Is he not identified in this text?

23 Q Well, I don't see it but that doesn't mean it's not  
24 here. In any event, what I'm interested in is did you have  
25 any role in the writing of this caption?

1           A     No, sir, I do not write the captions.

2           Q     The reference to twenty-four-hour-a-day Christian  
3 television, should I assume from that that TBN is going to be  
4 programming the station twenty-four hours a day at least at  
5 the outset?

6           A     It will be twenty-four hour day Christian television  
7 but that does not mean that it will be 100 per cent Trinity  
8 Broadcasting Network feed.

9           Q     Please turn to Mass Media Exhibit 156.

10          A     Yes, sir.

11          Q     Now you'll note that this is the financial audit  
12 report for Trinity Broadcasting Network and subsidiary and  
13 affiliates for the year ending December 31, 1986.

14          A     I see that.

15          Q     And if you turn to page 4, you'll note that this  
16 document was prepared on or about August 18, 1987.

17          A     Yes.

18          Q     Now, turning to page 8 and page 9, there are columns  
19 for Translator TV, Inc.

20          A     Yes, sir, I see that.

21          Q     Did you have any discussion with the auditors,  
22 people representing the auditing firm, as to the propriety of  
23 including Translator TV, Inc. in this audit report?

24          A     No, sir.

25          Q     Do you recall reviewing the information for

1 | Translator TV, Inc.?

2 |       A     I certainly reviewed the entire financial statement  
3 | but again, I cannot recall focusing on Translator TV, Inc. to  
4 | the point where it got my attention.

5 |       Q     Did you have any discussions with any other member  
6 | of the board of directors of Translator TV, Inc. relative to  
7 | the information that appears for it for the year 1986?

8 |       A     I have no such recollection, sir.

9 |       Q     Now, please turn to page 10.

10 |       A     Yes, sir.

11 |       Q     Under No. 2, organization.

12 |       A     Yes.

13 |       Q     Do you see the term "direct affiliates"?

14 |       A     Yes.

15 |       Q     Translator TV, Inc. listed.

16 |       A     Yes, sir.

17 |       Q     Did you have any conversation with the auditors as  
18 | to the propriety of listing Translator TV, Inc. as a direct  
19 | affiliate?

20 |       A     I do not recall if I did.

21 |       Q     Do you recall having any conversations with the  
22 | auditors to determine what was mean or what is meant by the  
23 | term "direct affiliates"?

24 |       A     Again, I say I understood that to mean those  
25 | organizations with a commonality of board members. I

1 | certainly believe that the auditors understood that but I  
2 | don't recall any particular conversation with them to that  
3 | affect.

4 |       Q     Do you need to fill up on the water?

5 |       A     Thank you, I will.

6 |       Q     You ready?

7 |       A     Yes, sir.

8 |       Q     Please turn to Mass Media Exhibit 158.

9 |       A     Yes, sir.

10 |       Q     Now we're in September of 1987 and if you would  
11 | please turn to page 4.

12 |       A     Yes, sir.

13 |       Q     Now, I notice in looking through this list where it  
14 | says "studio locations" --

15 |       A     Yes.

16 |       Q     -- that our friends in Alabama aren't here any more  
17 | but that we still have Harlingen and we have something called  
18 | Mauriceville which I would assume to be Beaumont.

19 |       A     Yes.

20 |       Q     And then we have a reference to Houston under  
21 | construction. Do you see that?

22 |       A     Yes, sir.

23 |       Q     Now, your answer would be the same as before, that  
24 | these stations are listed here due to a commonality of members  
25 | of the board between TBN and the various corporations?



1           A     Yes, sir, I generally remember a time coming when we  
2 came to the conclusion that the stations were growing to the  
3 extent that we'd end up taking up an awful lot of space on the  
4 newsletter if we kept adding all of the totally -- just  
5 affiliated stations with no commonality of board members so  
6 that was basically my decision, I believe, to drop  
7 Gadsden/Birmingham and not continue to add the organizations  
8 or the affiliates coming on line that did not have a  
9 commonality of board members.

10           Q     Perhaps you can explain something to me. Do you  
11 recall that in some of the earlier listings of stations when  
12 we went over affiliated full-power stations that there were as  
13 many as ten of them, do you remember that?

14           A     Yes, sir.

15           Q     Now, the only station that was noted as an affiliate  
16 that happened to make the list in the newsletter under the  
17 listings where it would have studios located was the  
18 Alabama/Birmingham/Gadsden station.

19           A     Um-hum.

20           Q     Now, can you explain to me why that station made it  
21 and all the other stations that were full-power affiliates  
22 never appeared?

23           A     I'm searching my memory, Mr. Shook, I think it may  
24 have been one of the, if the first, of those full-power  
25 stations coming on-line, although I'm not 100 per cent sure of

1 that. Also I think it was probably more of a major market  
2 with a larger audience that perhaps commanded the listing as  
3 opposed to maybe some of the smaller affiliated stations, I  
4 really don't remember 100 per cent for sure.

5 Q Would it be related to the Alabama/Birmingham  
6 station having a prayer line whereas other stations perhaps,  
7 although receiving Trinity Broadcasting programming, did not  
8 have such a prayer line?

9 A That could certainly be part of it, also it may have  
10 been one of the earliest affiliated stations to actually have  
11 a studio location where people could be directed to come visit  
12 it. Remember, that was the real purpose for these listings at  
13 the end of the newsletters.

14 Q No, basically I was just searching to find whether  
15 there was some particular reason.

16 A Um-hum.

17 Q Let's look at Mass Media Exhibit 159, now, this is a  
18 statement from Colby May to -- it's addressed to yourself and  
19 there have been a number of these in between. We looked at  
20 one back in February when National Minority first appeared --

21 A Yes, sir.

22 Q -- and we had determined that as far as you knew the  
23 rate that was going to be charged for NMTV was the same as the  
24 rate to be charged for everybody else.

25 A Yes.

1           Q     Now, given the date that we have here, September  
2 1987, the Commission has acted on and granted the application  
3 of National Minority TV based in part on the understanding  
4 that it was dealing with a separate entity, a separate entity  
5 from TBN.

6           A     Yes.

7           Q     Now, had you discussed with Mr. May the wisdom or  
8 the propriety of his including National Minority TV in the  
9 billing that was being sent to you at TBN?

10          A     No, sir, I never remember any such conversation.

11               JUDGE CHACHKIN: We'll take a ten-minute recess.

12               (Off the record at 3:00 p.m. to reconvene at 3:11

13 p.m.)

14               JUDGE CHACHKIN: Back on the record. Thank you, Mr.  
15 Shook.

16               MR. SHOOK: Now, Your Honor, just so you'd know, Mr.  
17 Cohen is not here at the moment.

18               JUDGE CHACHKIN: Oh, well, I guess we'll have to go  
19 back off the record, wait for Mr. Cohen, if it's not too long.

20               (Off the record.)

21               JUDGE CHACHKIN: Back on the record. Mr. Shook.

22               BY MR. SHOOK:

23           Q     Dr. Crouch, could you please turn to Mass Media  
24 Exhibit 160.

25           A     Yes, sir, I'm there.

1 Q Looking at the front page of this newsletter, I  
2 recognize it's a little difficult to see but it appears to me  
3 that what we're dealing with here is October 1987.

4 A Yes, sir.

5 Q And if you turn to page 7, you see that there is a  
6 picture that has TBN stations on it. Do you see that?

7 A No, my -- oh, yes, 7, I'm sorry, my pages are  
8 numbered, yes, I'm there.

9 Q All right, and do you see that the pictures included  
10 what we have been calling the owned and operated stations and  
11 also include Houston and Harlingen, do you see that?

12 A Yes, sir, I see them.

13 Q Now, did you have anything to do with whether  
14 Houston and Harlingen should be included in the pictures here?

15 A Yes, these again were stations, as we've said so  
16 often, that had a commonality of board members but also  
17 stations that Trinity had an interest in its major telethon of  
18 helping to fund and get up and going.

19 Q All right, so Trinity's telethon could help  
20 Harlingen and Houston but Harlingen and Houston, if they had  
21 telethons, they could only help themselves.

22 A That is correct.

23 Q Now, in the case of Harlingen and Houston and also  
24 Beaumont, with the CET telethon, you've testified that was, on  
25 advise from counsel, the only entity that could be assisted

1 through such a telethon would be that individual station,  
2 that's what you understood?

3 A Yes, my understanding is that the non-commercial  
4 stations must simply raise the funds for their own station  
5 needs and operations.

6 Q Had you ever discussed with counsel, and I presume  
7 in this case it would be Mr. May, whether or not a waiver of  
8 that policy was possible?

9 A I vaguely do remember asking Mr. May to check and  
10 see if it would be possible to include the non-commercial  
11 stations in the overall telethon to save us obviously the  
12 trouble and the expense of conducting separate telethons for  
13 the non-commercial stations but I recall that counsel advised  
14 us that this was not possible under the Commission's rules.

15 Q Do you recall when you asked about that advise and  
16 received it?

17 A No, sir, I don't, it obviously wouldn't have  
18 happened until some of these non-commercial stations started  
19 to come on-line and conducted telethons. It would have been  
20 on or around the time Houston came on-line, I think.

21 Q So it would have been approximately this period of  
22 time, late 1987.

23 A I believe so.

24 Q And counsel was indeed Mr. May at that point?

25 A Yes, sir.

1 Q Please turn to Mass Media Exhibit 161.

2 A Yes, sir.

3 Q Now, I recognize, and I will tell you for your  
4 benefit, that this letter is not addressed to you, it is not  
5 prepared by you and you are not noted as receiving a copy.  
6 However, because it does concern National Minority TV, please  
7 briefly look through it so that you can familiarize yourself  
8 with its contents.

9 A Yes, sir, I have generally scanned it.

10 Q Now, before National Minority TV started to actively  
11 negotiate to purchase the station in Portland, what  
12 information did you have about the Portland station?

13 A My memory, Mr. Shook, is that Mrs. Duff be came  
14 aware of this possibility and brought this information to me.

15 Q The information meaning that there was a station  
16 available in Portland and approximately how much it was going  
17 to cost to acquire it?

18 A Yes, sir.

19 Q And what, in turn, did you tell her?

20 A It told her I thought it was a great idea, Portland  
21 was a much larger market than the Midland/Odessa and I  
22 perceived it to be a very excellent next step for NMTV to  
23 acquire financial independence.

24 Q Did you communicate anything about the Portland  
25 station to David Espinoza at the time Mrs. Duff brought the

1 matter to your attention?

2 A I do not personally recall doing so.

3 Q Please turn to Mass Media Exhibit 163.

4 A Yes, sir.

5 Q Do you recall how it came about that this action by  
6 written consent was prepared?

7 A No, sir.

8 Q Do you recall how it came about that the figure of  
9 \$600,000 appears in this resolution?

10 A Only that that was the figure that I recall Mrs.  
11 Duff indicating to me would be the amount required to --  
12 approximately to acquire it.

13 Q It was understood by you that the \$600,000 was going  
14 to come from TBN?

15 A Yes, sir.

16 Q Was it also understood that there would be no note  
17 in connection with any lending of any of funds from TBN to  
18 National Minority TV?

19 A At that time I don't know if there was any  
20 understanding concerning that, it was just our understanding  
21 that the funds would be loaned and whether or not a formal  
22 note would be generated at that time, I just don't have any  
23 recollection.

24 Q Please turn to Mass Media Exhibit 164.

25 A Yes, sir.

1 Q Now, I'd like you to turn to page -- well, first of  
2 all, you note that this is a Praise the Lord newsletter for  
3 November 1987.

4 A Yes.

5 Q Now, please turn to page 2 --

6 A Yes.

7 Q -- and the Paul that appears as the author of this  
8 letter is you, correct?

9 A Yes, sir.

10 Q Now, if you go to the middle of the page that begins  
11 "so partners, what shall Jan and I do", would you read that to  
12 yourself, please?

13 A Um-hum. Yes, I've read that.

14 Q What's going on here?

15 A Beaumont and Harlingen were not doing well  
16 financially and I had to pretty forcefully impress upon them  
17 that if they did not ultimately support their own local  
18 stations that we would have no choice but to dispense with  
19 them.

20 Q Well, these are CET stations, right?

21 A Yes.

22 Q Now, yet at this point you are an officer and a  
23 director of CET?

24 A Yes, sir.

25 Q But CET is not the same as TBN though, in terms of



1 its officers and directors?

2 A No, sir.

3 Q Now, the "I" removing the equipment certainly is  
4 referring to yourself, isn't it?

5 A Yes.

6 Q Was the equipment that the two stations had in the  
7 names of CET or was it in the names of something else?

8 A I believe it was in the names of CET?

9 Q Could you please turn to Mass Media Exhibit 167.

10 A Yes, sir.

11 Q Now, I note that this letter was written by Colby  
12 May and the date is November 16, 1987 and it states that it's  
13 reporting the consummation of the closing of the Odessa  
14 assignment on June 30, 1987. Now, did the closing take place  
15 on June 30, 1987, so far as you know?

16 A This letter states that but I don't have any  
17 independent recollection of that being the exact date.

18 Q Well, with respect to the Odessa situation, do you  
19 have any knowledge as to what was involved in the closing  
20 aside from a permit being handed over and a check being handed  
21 over on the other side?

22 A Closings are very complicated procedures that you  
23 lawyers deal with and sometimes there are quite a number of  
24 documents to sign but --

25 Q Well, I put it in that sense somewhat jokingly but